

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SSC-01 TRSE-00 EB-08 COME-00 OMB-01

AGRE-00 AID-05 CIAE-00 DODE-00 PM-05 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 /083 W

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R 261030Z JUL 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 7767

UNCLAS COLOMBO 2585

E.O. 11652: N/A

TAGS: PINT, EGEN, CE

SUBJ: POLICY DECISIONS AND NEW APPOINTMENTS

1. SUMMARY: FIRST DAYS OF THE JAYEWARDENE GOVERNMENT HAVE SEEN NEW APPOINTMENTS, MANY RUMORS, AND A FEW SIGNIFICANT POLICY ANNOUNCEMENTS. ALL LOCAL GOVERNMENT BODIES HAVE BEEN DISSOLVED, PENDING NEW ELECTIONS. NATIONALIZED PLANTATION STRUCTURE HAS BEEN PARTIALLY RATIONALIZED UNDER PLANTATIONS MINISTRY. NEW FINNCE MINISTER HAS AFFIRMED ROLE OF PRIVATE SECTOR IN ECONOMY. AMONG POLITICAL RUMORS ARE SEVERAL SUGGESTING POSSIBLE ROLES FOR FORMER PRIME MINISTER IN THE NEW GOVERNMENT AND FOR THE DEFEATED LEFT LEADERS IN THE NEW ASSEMBLY. END SUMMARY.

2. THE FIRST TWO WORKING DAYS OF THE NEW J.R. JAYEWARDENE GOVERNMENT HAVE SEEN A FLURRY OF RESIGNATIONS, NEW APPOINTMENTS, AND A FEW SIGNIFICANT POLICY DECISIONS.

AMONG THE APPOINTMENTS ARE:

CHAIRMAN OF ASSOCIATED NEWSPAPERS OF CEYLON, LTD.,  
(LAKE HOUSE): - R. BODINAGODA

SECRETARY TO THE CABINET - G.V.P. SAMARASINGHE (SECRETARY  
TO MINISTRY OF DEFENCE AND EXTERNAL AFFAIRS IN LAST UNP

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GOVERNMENT)

DIRECTOR-GENERAL OF BROADCASTING: - M.D.D. PEIRIS (TRANSFERRED FROM HIS POSITION AS SECRETARY TO FORMER PM  
BANDARANAIKE)

RUMORED TO BE THE NEW SPEAKER AND DEPUTY SPEAKER OF THE NATIONAL STATE ASSEMBLY ARE ANANDATISSA DE ALWIS (M.P., KOTTE) AND BAKEER MARKAR (M.P., BERUWELA).

3. THE NEW MINISTER OF LOCAL GOVERNMENT R. PREMADASA HAS ANNOUNCED THE DISSOLUTION OF ALL LOCAL GOVERNMENT BODIES. THIS INCLUDES THE MUNICIPAL COUNCIL OF COLOMBO, WHOSE MAYOR IS TO BE REPLACED BY A SPECIAL COMMISSIONER. LONG-OVERDUE ELECTIONS TO ALL THE LOCAL GOVERNMENT COUNCILS ARE EXPECTED SOON.

4. AS PART OF THE PROMISED RATIONALIZATION OF THE PLANTATION SECTOR, TWO OF THE LARGE ESTATE ORGANIZATIONS PREVIOUSLY UNDER THE AGRICULTURE MINISTRY - THE JANATHA ESTATES DEVELOPMENT BOARD (JANAWASAMA) AND UPCOUNTRY COOPERATIVE ESTATES DEVELOPMENT BOARD (USAWASAMA) -- HAVE BEEN SHIFTED TO THE PLANTATION MINISTRY, WHICH ALREADY HAS THE STATE PLANTATIONS CORPORATION. THE DIVIDED ADMINISTRATION OF THE NATIONALIZED ESTATES DATES BACK TO 1972 AND THE LONG-RUNNING DISPUTE BETWEEN THE THEN-MINISTERS HECTOR KOBBEDKADUWA AND COLVIN DE SILVA, THE LATTER OF THE LANKA SAMA SAMAJA PARTY, OVER WHO SHOULD CONTROL THE NATIONALIZED LAND.

5. IN ONE OF HIS FIRST PUBLIC STATEMENTS, NEW FINANCE MINISTER RONNIE DE MEL ASSURED THE PRIVATE SECTOR OF A POSITIVE ROLE IN THE COUNTRY'S ECONOMY. HE SAID THE NEW UNP GOVERNMENT WAS COMMITTED TO A MIXED ECONOMY IN WHICH THE STATE AND PRIVATE SECTORS WILL CO-EXIST. THE MINISTER ALSO SAID THAT ONE OF THE FIRST TASKS OF THE NEW GOVERNMENT WOULD BE TO REBUILD THE

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ADMINISTRATIVE STRUCTURE AT THE DISTRICT AND VILLAGE LEVELS DESTROYED BY THE PREVIOUS GOVERNMENT. THERE WOULD, HOWEVER, BE NO IMMEDIATE CHANGE IN THE PRESENT POLITICAL AUTHORITY SYSTEM. ON THE DEVELOPMENT SIDE, MINISTER DE MEL STATED THAT THE MAJORITY OF THE DISTRICT DEVELOPMENT COUNCILS WOULD BE ABOLISHED AS THEY WERE NOT FUNCTIONING PROPERLY AND HAD BECOME A BUDEN ON THE ECONOMY. HE ALSO SAID THAT ALL LARGE IRRIGATION PROJECTS UNDERTAKEN WOULD BE CAREFULLY SCRUTINIZED ON A COST/BENEFIT BASIS AND INDICATED THE NEW GOVERNMENT MIGHT PUT GREATER EMPHASIS ON MINOR IRRIGATION WORKS.

6. ONE OF THE MANY RUMORS FLOATING AROUND COLOMBO IS THAT J.R. HAS ALREADY OFFERED FORMER PM BANDARANAIKE AND HER RIGHT HAND MAN MAITHRIPALA SENANAYAKE PORTFOLIOS IN THE CABINET. THIS WOULD BE IN KEEPING WITH J.R.'S OFT-EXPRESSED BELIEF IN THE CONCEPT OF A NATIONAL GOVERNMENT. IT IS CONCEIVABLE THAT MRS. BANDARANAIKE WOULD BE OFFERED THE FOREIGN AFFAIRS PORTFOLIO, ENABLING HER TO CONTINUE AS HEAD OF THE NON-ALIGNED MOVEMENT, AS HINTED BY J.R. DURING THE ELECTION CAMPAIGN. IT IS ALSO RUMORED THAT J.R., DISMAYED BY THE LACK OF A PROPER PARLIAMENTARY OPPOSITION AND THE LOSS OF ALL LEFT M.P.'S, IS CONSIDERING SOME KIND OF RETURN TO NOMINATED MEM-

BERS UNDER HIS NEW CONSTITUTION. HE WOULD THEN, THE STORY  
GOES,APPOINT A FEW LEFT LEADERS AS MEMBERS REPRESENTING  
"UNREPRESENTED MINORITIES."  
PERKINS

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## Message Attributes

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